



December 12, 2014

Item No. 10

APPROVAL OF FY2015 COMPREHENSIVE BUDGET

To the Honorable Board of Commissioners

RECOMMENDATION

It is recommended that the Board of Commissioners approve and adopt the FY2015 Comprehensive Budget.

The Executive Vice President (EVP) of Finance; and the Office of the General Counsel have completed all necessary due diligence to support the submission of this initiative and recommend the approval of this item accordingly.

CORPORATE GOAL:

The FY2015 Budget provides funding for initiatives to develop healthy, vibrant communities; to ensure safe, decent and sustainable housing; and to provide services to residents, targeted to their needs.

GENERAL BACKGROUND:

The Chicago Housing Authority is required to submit for approval by the Board, a balanced annual Comprehensive Budget detailing each of its funding sources (MTW Fund, Section 8 Non-MTW fund, HOPE VI and Other Grant Programs) and, the use of budgeted funds.

The FY2015 Comprehensive Budget totaling \$976.4 million includes the following fund categories:

- **MTW Fund.** Total revenue for FY2015 is \$955.3 million. The MTW Fund combines the Low-Rent, Capital and Section 8 programs into a block grant as allowed by HUD under the Amended and Restated MTW agreement. Total MTW Fund revenues consist of Dwelling Rental Income, Interest Income, Capital Grant Funds, Housing Assistance Subsidy, Operating Subsidy, MTW Reserves and Other Income.
- **Section 8 Fund (Non-MTW).** Total revenue for this program is \$16.1 million. These contracts provide appropriations for approximately 1,277 of Mod Rehab vouchers, 685 Veteran's Affairs Supportive Housing (VASH) vouchers, and 50 Mainstream vouchers for housing assistance based on annual contributions contracts from HUD.
- **Hope VI Fund.** Total revenue equals \$3.3 million. These funds are used to support relocation, revitalization, community and supportive services programs.
- **Other Funds.** Total revenue is \$1.6 million. Revenue consists of federal and local grants that will be used to enhance or augment funding for critical programs and services that the CHA provides to its residents.

The estimated sum of all revenues for FY2015 plus the amount of FY2014 fund balance available for appropriation in FY2015 is equal to the estimated sum of all expenditures to be made/incurred during FY2015 and any unpaid liabilities at the beginning of FY2015.

The Board action recommended in this action complies in all material respects with all applicable Chicago Housing Authority board policies and all applicable federal (HUD) laws.

The Executive Vice President (EVP) of Finance, CFO concurs with the recommendation to submit the FY2015 Comprehensive Budget totaling \$976.4 million.

The CEO/President recommends that the Board of Commissioners approve the FY2015 Budget as submitted and forwarded to the U.S. Department of Housing and Urban Development all necessary budget documents and supporting information when applicable.

RESOLUTION NO. 2014-CHA-126

WHEREAS, the Board of Commissioners has reviewed the Board letter dated December 10, 2014, entitled "APPROVAL OF THE FY2015 COMPREHENSIVE BUDGET";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners, hereby approves the attached "FY2015 COMPREHENSIVE BUDGET" and finds with respect to said Budget:

1. that the proposed expenditures are necessary for the efficient and economical operation of the Chicago Housing Authority for the purpose of serving low-income families;
2. that the financial plan is reasonable in that it indicates funding sources adequate to cover all proposed expenditures, and does not provide for use of Federal funding in excess of that payable under the provisions of the applicable Federal regulations; and
3. that all proposed rental charges and expenditures will be consistent with provisions of law and the Annual Contributions Contract in accordance with the Amended and Restated Moving To Work Demonstration Agreement of the Chicago Housing Authority with the U.S. Department of Housing and Urban Development.

THAT, the Chief Executive Officer and Chief Financial Officer are authorized to execute and forward to the U.S. Department of Housing and Urban Development all necessary budget documents and supporting information when applicable.

